



AMERICAN MEDICAL RESPONSE®

June 7, 2011

Collin County
Purchasing Agent
2300 Bloomingdale
Suite 3160
McKinney, TX 75071

RE: Collin County CPI Increase

Dear Sir/Madam:

Pursuant to section 4.2 on the original agreement and section 3 on the second amendment between Collin County and American Medical Response, we are requesting a 3% CPI increase on our current subsidy of \$767,000. This would make the new subsidy payment \$790,010 annually, which is a \$23,010 increase.

Section 4.2 / Original Agreement

"A price re-determination may be considered by Collin County only on the anniversary date of the contract. Requests for increase shall be based on the percentage increase for the previous twelve (12) month period in the medical component of the Consumer Price Index (CPI) (calculated to the next 1/20th of one percent (1%) of the South region for All Urban Consumers) as published by the United States Department of Labor. For purposes of this Agreement, the Medical CPI shall not exceed an annual increase of 8.0%. All Requests for price re-determination shall be in written form and shall include supporting documentation."

Section 3 / Second Amendment

"For years 6-10: \$767,000.00 per year. In addition, as determined by utilizing the price redetermination calculations stated in paragraph 4.2, annual adjustments to the base subsidy shall occur."

The most current CPI, which is updated through April 2011, shows a 2.4% increase for 2011 over 2010. We expect by November 2011, the CPI will be at 3%.

Respectfully,

Sonny Geary
General Manager
American Medical Response
Collin County, TX